

City of Detroit


CITY COUNCIL

DAVID D. WHITAKER
Director
(313) 224-4946

DIVISION OF RESEARCH & ANALYSIS
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 216
Detroit, Michigan 48226
(313) 224-4946
FAX: (313) 224-0368

PEGGY ROBINSON
Deputy Director
(313) 224-4946

TO: The Honorable City Council

FROM: David Whitaker 
Research & Analysis Division (RAD) Staff

DATE: September 19, 2006

RE: **Issues Concerning Property Development by Glenn Wash and Associates, Inc., in the City of Detroit (7340 West Seven Mile)**

The Research and Analysis Division (RAD) was requested by Your Honorable Body to investigate and report on the complaint filed by Mr. Glenn Wash, relative to the pending demolition assessment placed on his property. Mr. Wash appeared before this Honorable Body on July 5, 2006 to object to the demolition and pending assessment by the City of Detroit on his property located at 7340 West Seven Mile.

Background

Mr. Wash purchased the subject property several years ago with the intent of developing a shopping strip mall on West Seven Mile. As Council is aware, in addition to Mr. Wash's successful history of developing strip shopping malls, he has a long established history in development and demolition¹ of buildings within the City of Detroit.

On October 10, 2002, the Buildings & Safety Engineering Department received a complaint that 7340 West Seven Mile was open to trespass. Subsequently, an inspection by the Buildings & Safety Engineering Department was conducted on November 26, 2002. The inspector found the building dangerous and open to trespass and the elements. RAD has attached the original photographs taken during the inspection for your reference.

Consequently, the Buildings & Safety Engineering Department held an office hearing on January 14, 2003, where the building owners were requested to barricade and make safe 7340 West Seven Mile. As a result of the BS&E order, the building was secured, and

¹ Mr. Wash was the primary contractor charged with the demolition of structures for the General Motors "Poletown" Plant

BS&E requested, and Your Honorable Body concurred with the recommendation to **withdraw**² the demolition order.

The building was re-inspected on April 28, 2003, found to be dangerous, open to trespass and the elements. As a result, on November 4, 2004, the Department of Public Works entered an expedited demolition order for 7340 West Seven Mile, and the structure was demolished at city expense on June 7, 2005.

The Board of Assessors levied a special assessment of \$12,398.25 as requested by the Department of Public Works³ against the property for dismantling and removing a dangerous building. In the attached report to this Honorable Body, the Buildings & Safety Engineering Department Director states:

"Prior to this Department demolishing the referenced building, the required notification was made to the owner. The owner could have chosen to cause the building to be demolished at whatever contract price negotiated between themselves and their contractor".

Mr. Wash appeared at a hearing of the Board of Assessors on June 14, 2006 to object to the special assessment. It is Mr. Wash's testimony, at both the hearing before the Board of Assessors and his hearing before the Detroit City Council, that he was in the process of securing permits to demolish the structure but was not given the opportunity to complete the demolition work. The Board of Assessors states in the attached report: "failure to receive a notice does not invalidate an assessment", therefore, they rejected Mr. Wash's claim and concurred with the assessment.

Mr. Wash appealed to Your Honorable Body on July 5, 2006 seeking relief from the assessment.

Mr. Wash's Complaint

Mr. Wash agrees that the building(s) needed to be demolished. In fact, Mr. Wash states he was in the process of securing the necessary demolition permits when the City of Detroit demolished the building. Further, Mr. Wash states he was waiting notification from the Detroit Water and Sewerage Department (DWSD) that the water was disconnected. Mr. Wash further states that he never received a notice from DWSD informing him that he owed an outstanding water bill, or that the water to the building was ever disconnected⁴ as he requested.

² The result of the City Council hearing held March 24, 2003 was to withdraw the demolition order.

³ At the time of demolition, the Department of Public Works was responsible for requesting demolition assessments be placed on property. Today, the responsibility falls upon the Buildings & Safety Engineering Department.

⁴ Demolition of structures cannot commence until all utilities have been disconnected.

Due to the delay with DWSD Mr. Wash could not secure the required permits to demolish his structure. Therefore, he believes that the assessment should be waived or reduced, due to lack of receiving notification by the City of Detroit, specifically DWSD. Attached, for your review are copies of the estimates to demolish two (2) buildings that Mr. Wash received on his properties at 7340 and 7336 West Seven Mile.

RAD Findings

The Research & Analysis Division (RAD) met with Mr. Glenn Wash, reviewed the Buildings and Safety Engineering Reports, and reviewed both the City Ordinances and Charter of the City of Detroit.

The BS&E file and the documents obtained from the petitioner are consistent with each other. The attached estimates to demolish 7340 West Seven Mile submitted by Mr. Wash mirror the City of Detroit's paper work. It appears Mr. Wash was in the process of securing a demolition contractor in November 2003. The utilities were disconnected on the following dates:

Water Shutoff – November 18, 2004⁵

Gas Shutoff – December 6, 2004

Edison Shutoff- May 17, 2005

It appears by the submitted documentation, that the City of Detroit was able to demolish the building before Mr. Wash was able to complete the necessary required steps to secure the demolition permit. However, the Detroit Water and Sewerage Department reports that it does not have a request to terminate water service from Mr. Wash. DWSD records indicate the request to terminate water service at the site was submitted by the Buildings and Safety Engineering Department, not the building owner, Mr. Wash.

Placement of Assessments

In accordance with the procedures described within the Detroit City Code, specifically Section 12-11-28.4 the Buildings & Safety Engineering Department requested that a demolition lien be placed on the property at 7340 West Seven Mile for the actual cost of demolishing this structure. Section 12-11-28.4 states in pertinent part:

The cost of demolition, repairing or making the building or structure safe shall be a lien against the real property and shall be reported to the Board of Assessors who shall assess the cost against the property in question.

⁵ Petitioner submitted to RAD 3 Bids dated and transmitted to the petitioner in November 2004. Attached are the 3 estimates.

Authority to Waive, Cancel or Reduce Assessments

The authority to waive or cancel assessments is vested in the Detroit City Council under Section 12-11-28.4 of the Code of the City of Detroit, which specifically states:

*If any tax assessment pursuant to this section is found to be **unjust or erroneous**, or where the **owner of the property** would suffer an undue hardship through no fault of his own, **the City Council may waive the assessment**.*
(Emphasis added)

The Charter of the City of Detroit, and Official Code of the City of Detroit does not allow for the reduction of assessments placed legally or for assessments placed on property of the rightful owner. Section 18-9-8 of the Code for the City of Detroit provides further:

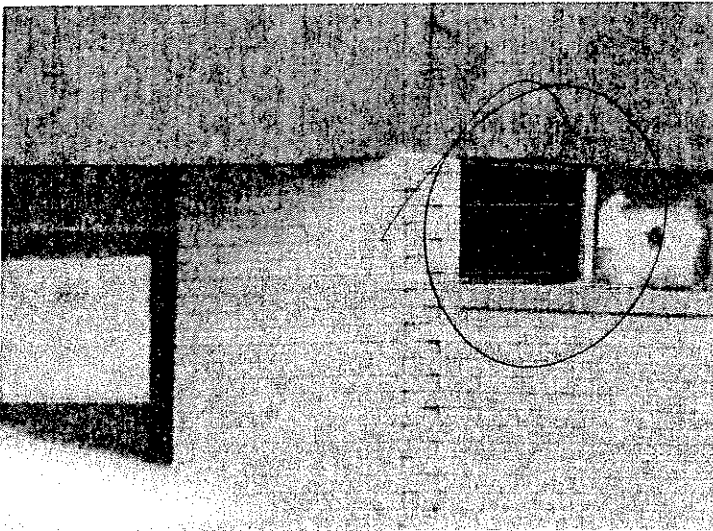
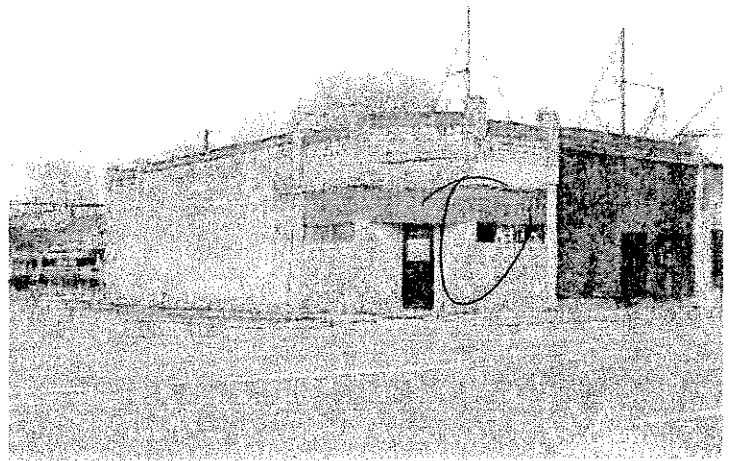
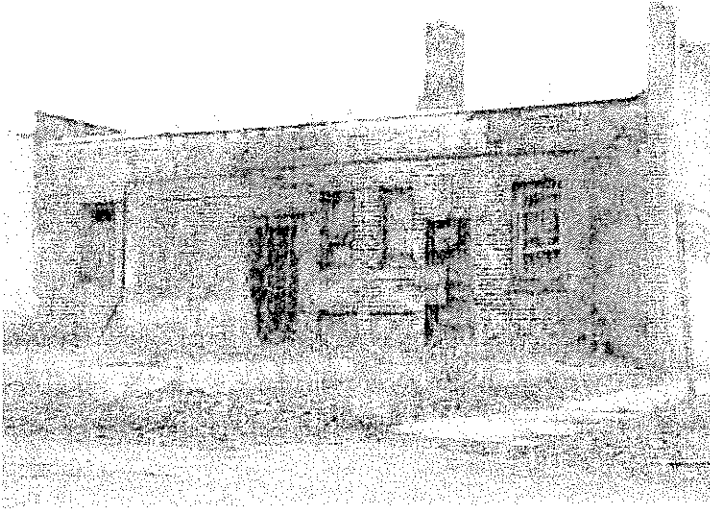
*(a) Whenever it shall appear to the satisfaction of the council that any tax assessment is **unjust** or placed upon any property **not owned** by the person to whom it is assessed, the council may, by a two-thirds vote of all the members-elect, repay the same out of the contingent fund, if collected, or if not collected, vacate the assessment in whole or in part and fix upon an amount to be received in full of such tax or assessment.* (Emphasis added)

Mr. Wash admits that he **is the owner** of the demolished property, and therefore, is not eligible for relief on that ground. City Ordinance prohibits Your Honorable Body from reducing assessments on property owned by the person to whom it is assessed.

In this situation however, Council's authority is limited to waiving the assessment if it is found to be unjust or erroneous, or where the owner of the property would suffer an undue hardship through no fault of his own, pursuant to Section 12-11-283.4.

If Your Honorable Body finds that Mr. Wash will suffer an undue hardship, or if the demolition assessment is otherwise unjust or erroneous, you may waive his assessment; if you do not find the assessment to cause a hardship, and if the assessment was correctly placed, then you may confirm the assessment.

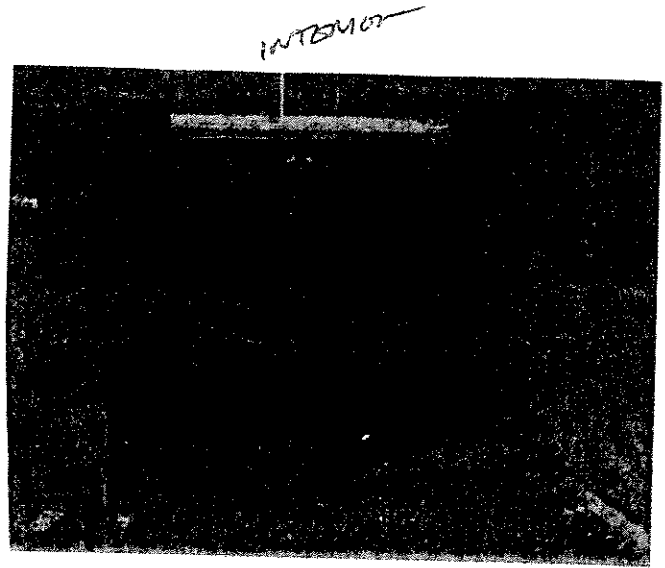
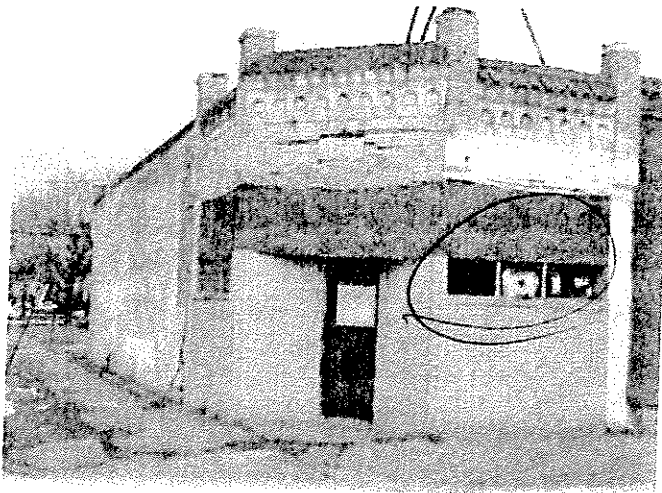
7340 W. 7 MILE



Nov. 26th, 2002

HCIII

7340 W. SEVEN MILE



01-24-03 MESSNER

15
CITY OF DETROIT
FINANCE DEPARTMENT
ASSESSMENT DIVISION

NOTE TO COUNCIL:
THIS MATTER WILL BE BROUGHT INTO
COMMITTEE ON MONDAY, 7-10-06
(COPY OF THIS DOCUMENT HAS BEEN
FORWARDED TO EVERY COUNCIL MEMBER)

COLEMAN A. YOUNG
MUNICIPAL CENTER
2 WOODWARD AVE., SUITE 804
DETROIT, MICHIGAN 48226
PHONE 313-224-3057
WWW.CI.DETROIT.MI.US

SPECIAL ASSESSMENT INQUIRY

July 5, 2006

To: Honorable City Council

The following Special Assessment has been levied by the Board of Assessors in accordance with the Resolution of City Council for so doing, as requested by the initiating department. Therefore, the Finance Department Assessments Division has no legal authority to reduce, cancel or forgive a special assessment lien for costs incurred by the City to abate a nuisance on property.

Re: Council Petition No. (N/A) **Glenn Wash**

The Special Assessments for: **7340 W. Seven Mile Rd, Parcel Number 16008823.**

☒ Dismantling and removing dangerous buildings, Roll No. **R.U.C. 426**
☐ Sidewalk Repair Roll No. _____
☐ Weed and Litter Roll No. _____
☐ Tree Removal Roll No. _____

DETROIT
CITY CLERK
JUL - 6 A 10 33

was prepared and:

1. Advertised and published in the Detroit Legal News on **May 22, 2006.**
2. Open for review and correction by the Assessor at a hearing on **June 14, 2006.**
3. **Glenn Wash** appeared at the hearing objecting to said assessments.
4. **RUC 426** has not yet been confirmed by City Council.

For any assessment so made under the provisions of **Ordinance 290-H Sec 12-11-28.4** and the City Charter **Article 8, Chapter 6**, it is advised that a referral and request for a report to City Council be made by the Department of Public Works (now the Buildings, Safety and Engineering Department). Department of Public Works and/or Buildings, Safety and Engineering Department, the initiating department, not the Finance Department Assessments Division, should make recommendations relative to said assessment or taxpayer requests for cancellation of the same.

FRIDAY JUL 14 2006 - BB of Thurs.

MONDAY JUL 10 2006 - BB on Wednesday per K.M.

EDNESDAY JUL 12 2006 BB tomorrow Friday

THURSDAY JUL 20 2006 BB on Friday

YOUNG M. KUBATICK, MAYOR

SPECIAL ASSESSMENT INQUIRY

Page 2

However, subsequent to the final report, in accordance with City Charter, Chapter 6 Section 8-605, a written opinion from Corporation Counsel finding the Special Assessment illegal is required before City Council can take action to correct only the illegality, if necessary.

Comments:

Mr. Wash stated that he or his hired agents pulled permits to tear down the building, but was not given the opportunity to complete the demolition work. He stated that he purchased the property with the intent to build a shopping center.

Note:

1. Proper steps were taken to notify the owner of record.
2. Failure to receive a notice does not invalidate an assessment.
3. Where the owner was a purchaser in due course without knowledge does not void the special assessment.
4. The inability to identify the owner of property does not invalidate an assessment in Michigan.

Complaint Investigated by:


Jamila Jackson

Title: Appraisal Technician

Date: July 5, 2006

Submitted by: Finance Department Assessments Division

cc: Roger Short, Director, Finance Department
Kandia Milton, Mayor's Office

32

~~Item #15~~
~~7/20/06~~

CITY OF DETROIT
BUILDINGS AND SAFETY ENGINEERING DEPARTMENT

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVE., FOURTH FLOOR
DETROIT, MICHIGAN 48226
WWW.C1.DETROIT.MI.US

July 19, 2006

HONORABLE CITY COUNCIL

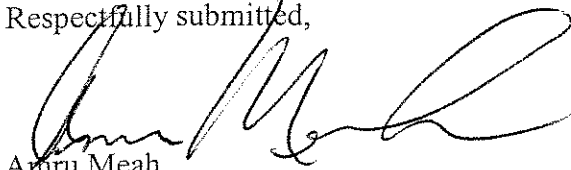
Re: Issues concerning property development by Glenn Wash and Associates, Inc., in the City of Detroit (7340 W. Seven Mile)

Pursuant to your request, the following information is provided:

The above referenced building was made an emergency November 4, 2004 and demolished under permit #83290 issued May 20, 2005. The total cost for demolition of the referenced location was \$12,398.25.

Prior to this Department demolishing the referenced building, the required notification was made to the owner. The owner could have chosen to cause the building to be demolished at whatever contract price negotiated between themselves and their contractor.

Respectfully submitted,



Amru Meah
Director

AM/AA/wf

cc: Kandia Milton, Legislative Liaison, Mayor's Office
Wendy Ford, City Council Liaison, B&SED

FRIDAY JUL 21 2006

- refer to Law and RAD (NOTES);
C to P: BB after recess

UPRIGHT WRECKING CO.
Licensed . Bonded & Insured
5758 Coplin, Detroit, Michigan 48213
(313) 331-7000 Fax (313) 331-7103

DEMOLITION CONTRACT

OWNER: GLENN E WALSH & ASSOCIATES
14541 SCHAEFER
DETROIT, MI.
48227

PROJECT: DEMOLITION OF 7336 & 7340 W. SEVEN MILE:

SCOPE OF WORK:

1. DEMOLISH BUILDING LOCATED AT 7336 W. SEVEN MILE:
2. DEMOLISH BUILDING LOCATED AT 7340 W. SEVEN MILE:
3. DEMOLISH & REMOVE ALL FOOTINGS:
4. DEMOLISH & REMOVE ALL FOUNDATIONS:
5. DEMOLISH & REMOVE ALL PARKING AREA:
6. BACKFILL THE LOTS WITH SAND, WHICH THE OWNER WILL PROVIDE:
7. GRADE THE LOTS TO ADJOINING GROUND LEVEL:
8. leave THE PROJECT SITE CLEAN UPON COMPLETION OF JOB:

TIME FRAME: THE PROJECT WILL BE COMPLETED IN FIVE DAYS:

PERMITS: UPRIGHT WRECKING CO. WILL BE RESPONSIBLE FOR OBTAINING,
THE WRECKING PERMIT, & THE EDISON CLEARANCE:

NOTE: THE OWNER WILL BE RESPONSIBLE FOR OBTAINING THE,
WATER CLEARANCE & THE GAS CLEARANCE:

NOTE: THE OWNER WILL NEED TO PROVIDE AN ABESTOS SURVEY,
PRIOR TO THE START OF THE DEMOLITION:

COST: (\$ 16,000.00 DOLLARS) SIX-TEEN, THOUSAND DOLLARS:

PAYMENTS: FIRST PAYMENT OF (\$ 5,000.00) DOLLARS TO BE,
ISSUED WHEN DEMOLITION BEGINS:

SECOND PAYMENT OF (\$ 5,000.00) DOLLARS TO BE ISSUED
UPON OPEN WHOLE INSPECTION:

FINAL PAYMENT OF (\$ 6,000.00) DOLLARS TO BE ISSUED
UPON COMPLETION OF JOB AND CERTIFICATION FROM THE CITY
OF DETROIT:



6630 DESMOND • DETROIT, MICHIGAN 48209

PHONE: (313) 843-3320 - FAX: (313) 843-4966

Date: November 03, 2004

Proposal No. 04-166 Price Firm To: 30 days

Site: 7336-40 W. 7 Mile
Detroit, MI

Glenn E. Wash & Associates
Attn: Nicole Black
14541 Schaefer
Detroit, MI 48227

Dear Nicole:

After careful review of the above-mentioned site, we propose to demolish and remove the building in accordance with existing city of Detroit codes and regulations.

CITY OF DETROIT DEMOLITION CODE

- Demolish and remove the building in its entirety.
- Foundations and footings to be removed and hauled away.
- Open hole will be backfilled with clean fill dirt.

Proposal will not include the Environmental Survey required by MDEQ.
Proposal will not include the removal of asbestos or any toxic materials.
Proposal will not include any utility disconnect fees.

ONE STAGE FOR THE SUM OF.....\$16,000.00

Water and sewer bill and water cut-off charges to be paid by the customer prior to permit application.
Gas clearance fees to be paid by customer prior to permit application.
We shall furnish insurance certificates.
Site to be cleared within 10 days after receipt of demolition permit.
All material on premises to be demolished to become the property of Federal Wrecking Co.
Building site to be graded to adjacent grades, or as agreed.

Note: Demolition quote is based on the above information. If the city of Detroit has incurred any additional fees for the demolition of this property, please be advised that these fees may be passed on to the demolition contractor. Should this be the case, these fees will be added to the original quote amount.

TERMS: 30% UPON SIGNING, 40% UPON DEMOLITION, 30% UPON COMPLETION**ACCEPTED: Date _____****FEDERAL WRECKING CO.**_____
Signature

**Farrow
Group, Inc.**

Corporate Headquarters
601 Beaufait Ave.
Detroit, MI 48207
(313) 259-7910
(313) 259-7920 Fax



A Division of Farrow Demolition, Inc.

658 Hwy. 17 South
New Bern, NC 28560
(252) 224-0824

November 3, 2004

Glen E. Wash & Associates
14541 Schaefer
Detroit, MI 48227

Reference: 7336 and 7340 West Seven Mile Rd
PROPOSAL

Attention: Mr. Glen Wash;

Farrow Group is pleased to submit our proposal in the amount of ten thousand dollars (\$10,000.00) for the above referenced properties. Our proposal is based on our experience in this exact type of work, and site visits by our estimating personnel.

TOTAL: \$10,000.00

We include all labor, supervision, tools, equipment, trucking, insurance, permit cost and necessary documentation to load and remove all demolition debris from site.

I. **SCOPE OF WORK:**

A. Complete demolition of such properties, including removal of footings.

II. **EXCLUDED FROM PROPOSAL:**

- A. Not responsible for underground utility lines.
- B. Not responsible for asbestos removal or any environmental issues.
- C. Not responsible for sidewalk replacement

III. **PAYMENT TERMS:**

A. Deposit of 50% due upon mobilization of the equipment in the form of a Cashier's Check and the balance due upon completion of the project.

Sincerely,

Mike Farrow
President

November 9, 2004

Mr. Glen Walsh

RE: Demolition of 7336 and 7340 W. Seven Mile

Dear Mr. Walsh,

This proposal is in reference to the request for demolition and removal of the above-mentioned building.

DEMOLITION TO BE PERFORMED:

1. Obtain all required city demolition permits
2. Securing the demo site
3. Demolish and remove structure located at 7336 and 7340 W. Seven-Mile Rd.
4. Remove Concrete slab located beneath structure located at 7336 and 7340 W. Seven Mile Road
5. Remove concrete slab behind building.
6. Remove all foundations located beneath structure
7. Clean and grade site on completion

PAYMENT TERMS:

THE TERMS ARE AS FOLLOWED:

- ONE
PAYMENT
UPON
COMPLETION*
- *33% of total contract amount to be paid in advance of any work performed.
 - *33% of balance at completion of demolition of above building and removal of parking lot.
 - *34% of balance to be paid in full on final inspection and approval by Building and Safety.

Proposal Amount: \$

9,690.00

Deposit: \$

3,197.90

Company

Signature

Date

11/9/04

Company

Signature

Date

11-9-04



CITY OF DETROIT
FINANCE DEPARTMENT
ASSESSMENT DIVISION

804 COLEMAN A. YOUNG
MUNICIPAL CENTER
DETROIT, MICHIGAN 48226
PHONE 313 • 224 • 3057
FAX 313 • 224 • 4270

**SACHEFER INV CORP
14541 SCHAEFER HWY
DETROIT MI 48227-3637**

**NOTICE OF HEARING
SPECIAL ASSESSMENT**

**Re: Parcel Address: 7340 W SEVEN MILE
Parcel Number: 16008823.
Legal Description:
N SEVEN MILE RD 80&79 GOLFDALE SUB L36 P98 PLATS, W C R 16/288 40 X 100**

May 23, 2006

Hearing will take place: June 14, 2006 Hearing Date, Board of Assessors, Coleman A. Young Municipal Center, 2 Woodward Ave, Ste. 804, Detroit, Mi. 48226 at 10:00 a.m.

A hearing has been scheduled to explain the enclosed published notice. There will be an opportunity for inspection, objection and/or correction of this special assessment roll by all concerned parties. Please be advised that a lien is being placed on the above described property, due to an unpaid bill.

The Detroit City Council is expected to meet on Wednesday, June 21, 2006 to confirm the special assessment roll described herein.

You will received a bill from the City Treasurer at a later date together with an explanation of your obligation to pay as provided by law.

Board of Assessors

SPECIAL ASSESSMENT ROLL NO. RUC 426

KWAME M. KILPATRICK, MAYOR